

By: Hinojosa of Hidalgo

S.B. No. 2131

A BILL TO BE ENTITLED

AN ACT

relating to funds reserved for certain construction materials.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 53.101, Property Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) An owner, contractor, or subcontractor may not reserve funds under this section for specially fabricated material that:

(1) has been delivered by a subcontractor and accepted by the owner, contractor, or subcontractor at the site or off-site; and

(2) is covered by a manufacturer's warranty under a contract with the owner, contractor, or subcontractor.

SECTION 2. The changes in law made by this Act apply only to an original contract that is entered into on or after the effective date of this Act. An original contract entered into before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2025.